

1 [Interim Zoning Controls - Conditional Use Authorization for Outdoor Laboratory Uses in PDR-
2 1-G]

3 **Resolution imposing interim zoning controls for 18 months to require a Conditional**
4 **Use authorization and specified findings for proposed Laboratory Uses that contain**
5 **development and/or engineering laboratories that operate outdoors and/or outside of**
6 **an enclosed structure in the PDR-1-G (Production, Distribution, and Repair) District;**
7 **urging the Planning Department, with input from the Office of Economic and Workforce**
8 **Development, to study whether additional controls would ensure that Laboratory Uses**
9 **are consistent with the City's goals for PDR space; affirming the Planning**
10 **Department's determination under the California Environmental Quality Act; and**
11 **making findings of consistency with the General Plan, the eight priority policies of**
12 **Planning Code, Section 101.1, and Planning Code, Section 306.7.**

13
14 WHEREAS, Planning Code, Section 306.7, authorizes the Planning Commission or the
15 Board of Supervisors ("Board") to impose interim zoning controls to allow time for the orderly
16 completion of a planning study and the adoption of appropriate legislation, and to ensure that
17 the legislative scheme which may be ultimately adopted is not undermined during the planning
18 and legislative process by changes of use or approval actions which will conflict with that
19 scheme; and

20 WHEREAS, The Eastern Neighborhoods Area Plan—a sub-element of which is the
21 Mission Area Plan or "Plan"—created Production, Distribution, and Repair ("PDR") districts in
22 the Mission to preserve PDR industries and the job opportunities they provide; and

23 WHEREAS, Planning Code, Section 210.3, affirms the intent of the districts and
24 specifically, the PDR-1-G District, which is, generally, to retain and encourage existing
25 production, distribution, and repair activities from the inherent economic and operational

1 competition and conflicts with housing, large office, large-scale retail, self-storage, and other
2 uses that are not permitted in the PDR districts; and

3 WHEREAS, The PDR-1-G District is concentrated in the southeastern portion of San
4 Francisco, a majority of which is located within the Mission District, which has been the focus
5 of multiple Citywide efforts to address the retention of low- and moderate-income residents,
6 organizations, and businesses, including the Planning Department’s Mission Action Plan
7 (“MAP2020”), launched in 2014, and the latest iteration of the Mission Action Plan
8 (“MAP2030”), endorsed by the Planning Commission in December 2024; and

9 WHEREAS, MAP2020 and MAP2030 included strategies to address the goals of
10 attracting and retaining low- to moderate-income residents and community-serving
11 businesses, including Production, Distribution, and Repair, artists, and nonprofits in order to
12 strengthen and preserve the socioeconomic diversity of the neighborhood; those strategies
13 include maintaining PDR capacity in PDR districts to preserve vital community resources and
14 protect working-class jobs; and

15 WHEREAS, The Eastern Neighborhoods Area Plan—a sub-element of which is the
16 Mission Area Plan or “Plan”—created PDR districts in the Mission to preserve PDR industries
17 and the opportunities they provide; PDR districts are essential to provide economic diversity
18 and employment to the City’s low- and moderate-income workforce; as further described in
19 the Plan, traditional production, distribution, and repair uses serve as a source of employment
20 for workers who may not have a college degree at a salary that is higher than the retail sector;
21 and

22 WHEREAS, The Mission District is a mixed-use neighborhood that contains parks,
23 schools, housing, and jobs in the retail and PDR sectors; the PDR-1-G District, in particular,
24 often borders residential uses, schools, and parks, which are places where sensitive
25 receptors, such as children and elderly populations, tend to gather; and

1 WHEREAS, While this mix of uses enables many residents to live and work in the
2 same general area, appropriate land use controls are necessary to minimize conflicts between
3 these uses; to this end, PDR districts impose limits on uses that, if allowed to occur outside an
4 enclosed structure, would emit noxious odors, noises and hazardous material pollution, such
5 as certain automotive uses; and

6 WHEREAS, In addition to traditional PDR sectors—such as automotive uses, light
7 industrial uses, and manufacturing—the Mission is also an attractive location for “Knowledge
8 Sector” businesses, which the Plan defines as businesses that create economic value through
9 the knowledge they generate and provide for their customers, such as information technology,
10 biotechnology, and environmental products and technologies; the Plan recognizes that these
11 businesses differ from traditional PDR uses in that they involve research and development
12 (“R&D”) functions “rang[ing] from office-only to a mixture of office and production and testing
13 activities;” these businesses generally employ more highly skilled workers than the traditional
14 PDR sector; however, the Plan noted the potential that these uses “may in the future be able
15 to provide a greater number of quality jobs for some San Franciscans without a four-year
16 college degree;” and

17 WHEREAS, Planning Code, Section 102, generally classifies these R&D functions as
18 Laboratory Uses, which are currently principally permitted in the PDR-1-G District; per Section
19 102, a Laboratory Use is “a Non-Retail Sales and Services Use intended or primarily suitable
20 for scientific research;” examples of Laboratory Uses include chemistry, biochemistry, or
21 analytical laboratories, engineering laboratories, development laboratories, and biological
22 laboratories; and

23 WHEREAS, Since the adoption of the Plan in 2008, the Knowledge Sector economy
24 has proliferated in the Mission, particularly in the PDR-1-G; and

1 WHEREAS, As these Knowledge Sector technologies advance, they may require
2 additional space for testing and demonstration; the resulting impacts on adjacent land uses
3 will differ depending on the type of Laboratory Use; unlike analytical laboratory uses—for
4 example, traditional “wet” and “dry” laboratories that utilize biochemistry and biological
5 techniques—engineering and development laboratories often contain hardware testing
6 components that, if allowed to operate outdoors, will have noise, air quality, and privacy
7 impacts on adjacent residential uses, schools, and parks, where sensitive receptors such as
8 children and the elderly population gather; and

9 WHEREAS, In addition to adverse impacts on sensitive receptors from certain outdoor
10 Laboratory Uses, some indoor Laboratory Uses also compete with the City goals and policies
11 for PDR spaces in the Mission; for example, some of these R&D functions differ from
12 traditional PDR uses in that R&D activities occur primarily in a space that looks and functions
13 like an office, where some operators perform predominately office uses; other operators
14 misuse laboratory space for other purposes, which leads to the further diminution of PDR
15 space; still others, which may have a hardware production and testing component, rely on
16 innovations in artificial intelligence, which eliminate the jobs that PDR zoning seeks to
17 maintain; while such innovations and uses are vital to the City’s economy, their proliferation in
18 PDR-1-G competes with different City goals and policies for the PDR spaces in the Mission;
19 and

20 WHEREAS, PDR employment has declined in recent years, from a peak 33% of the
21 City total to 10% of the City total per the Planning Department’s most recent PDR report; the
22 reasons for this decline include land competition and increasingly high rents compared to the
23 rest of the Bay Area; a copy of this report is on file with the Clerk of the Board of Supervisors
24 in File No. 251116; and

1 WHEREAS, According to the latest MAP 2020 Status Report, the Mission District has
2 experienced shifts in its income distribution over the last two decades, including a significant
3 increase of upper income households, a decrease in its share of low-income households, a
4 massive rise in its Latino homeless population, and the loss of approximately 12,000 Latinos;
5 and

6 WHEREAS, Regulating Laboratory Uses, specifically development and/or engineering
7 laboratories that operate outside of enclosed structures in the PDR-1-G District will minimize
8 adverse impacts on and will help prevent conflicts with nearby sensitive land uses, such as
9 parks, schools, and residences; and

10 WHEREAS, By limiting the control to development and engineering laboratories, this
11 Resolution recognizes that not all types of Laboratory Uses pose land use conflicts if
12 conducted outdoors; by minimizing conflicts with sensitive receptors, this Resolution will also
13 preserve the limited land zoned for traditional production, distribution, and repair industries;
14 this in turn will support the City's low- and middle-income workforce and mitigate the high
15 demand for PDR space, which prices out highly desired industrial firms from the Mission and
16 broader City; and

17 WHEREAS, The interim controls established by this Resolution will allow time for the
18 orderly completion of a planning study and for the adoption of appropriate legislation that
19 supports the goals of the PDR-1-G District; and

20 WHEREAS, The Board has considered the impact on the public health, safety, and
21 peace, and general welfare if these interim controls are not imposed; and

22 WHEREAS, The Board has determined that the public interest will best be served by
23 imposition of these interim controls to ensure that the legislative scheme which may be
24 ultimately adopted is not undermined during the planning and legislative process for
25 permanent controls; and

1 WHEREAS, The Board finds that these interim controls are consistent with San
2 Francisco's General Plan, in that they satisfy Commerce and Industry Element Objective 1 to
3 "manage economic growth and change to ensure enhancement of the total city living and
4 working environment," and Policy 11.3 of the Environmental Protection Element which seeks
5 to "Locate new noise-generating development so that the noise impact is reduced"; and

6 WHEREAS, The Board finds that the following General Plan Policies in the Mission
7 Area Plan portion of the Eastern Neighborhoods Area Plan are specifically and particularly
8 advanced by these interim controls:

9 "Objective 1.5: Minimize the impact of noise on affected areas and ensure General
10 Plan noise requirements are met."

11 "Policy 1.5.2: Reduce potential land use conflicts by carefully considering the location
12 and design of both noise generating uses and sensitive uses in the Mission."

13 "Objective 1.7: Retain the Mission's role as an important location for Production,
14 Distribution, and Repair (PDR) activities."

15 "Objective 1.4: Support a role for 'Knowledge Sector' businesses in appropriate
16 portions of the Mission (sic)"; and

17 "Policy 1.4.2: Allow Knowledge Sector office-type uses in portions of the Mission
18 where it is appropriate;" and

19 WHEREAS, For the reasons stated above, the Board finds that these interim controls
20 will control uses which have an adverse impact on open space and other recreational areas
21 and facilities and support the development and conservation of the commerce and industry of
22 the City in order to maintain the economic vitality of the City, to provide its citizens with
23 adequate jobs and business opportunities, and to maintain adequate services for its residents,
24 visitors, businesses and institutions, consistent with Planning Code, Section 306.7; and
25

1 WHEREAS, The Board finds that these interim controls are consistent with the Priority
2 Policies set forth in Planning Code, Section 101.1, because these interim controls will
3 preserve and enhance existing neighborhood-serving uses, the cultural and economic
4 diversity of our neighborhoods, and maintain a diverse economic base by protecting the PDR
5 industrial sector from displacement, and enhance future opportunities for resident employment
6 and ownership, particularly in the PDR sector; and

7 WHEREAS, The Planning Department has determined that the actions contemplated in
8 this Resolution comply with the California Environmental Quality Act (California Public
9 Resources Code, Sections 21000 et seq.); said determination is on file with the Clerk of the
10 Board of Supervisors in File No. 251116 and is incorporated herein by reference; the Board
11 affirms this determination; now, therefore, be it

12 RESOLVED, That in the PDR-1-G District, any proposed Laboratory Use, as defined in
13 Section 102 of the Planning Code, that (1) contains a development and/or engineering
14 laboratory and (2) is conducted outdoors and/or outside of an enclosed structure shall require
15 Conditional Use authorization pursuant to Planning Code, Section 303, while these Interim
16 Zoning Controls are in effect; and, be it

17 FURTHER RESOLVED, That in addition to the findings required by Planning Code,
18 Section 303, in granting the Conditional Use authorization, the Planning Commission shall
19 also consider: (1) whether the proposed outdoor engineering and/or development Laboratory
20 Use advances Objectives 1.4, 1.5, and 1.7 of the Mission Area Plan, and the policies
21 contained therein, and (2) the impacts of the proposed outdoor engineering and/or
22 development Laboratory Use, including whether the proposed use will create significant
23 adverse impacts on neighboring properties and land uses; and, be it

24 FURTHER RESOLVED, That these interim zoning controls shall remain in effect for a
25 period of 18 months from the date of imposition, unless they are extended or otherwise

1 amended in accordance with the provisions of Planning Code, Section 306.7, or until the
2 adoption of permanent legislation regulating Laboratory Uses in the PDR-1-G District,
3 whichever first occurs; and, be it

4 FURTHER RESOLVED, That while the planning study is underway, the Board urges
5 the Planning Department, with input from the Office of Economic and Workforce
6 Development, to evaluate what controls are best suited to ensure that Laboratory Uses in the
7 PDR-1-G are consistent with the goals of that district, including but not limited to studying
8 whether square footage limits or limits on the number of Laboratory Uses would meet those
9 goals, and whether additional enforcement mechanisms are recommended to prevent misuse
10 of existing Laboratory Uses in the PDR-1-G.

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12 APPROVED AS TO FORM:
13 DAVID CHIU, City Attorney
14 By: /s/ Giulia Gualco-Nelson
15 GIULIA GUALCO-NELSON
16 Deputy City Attorney

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